

VZCZCXRO4444
PP RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV RUEHSL RUEHSR
DE RUEHMD #0957/01 2681206
ZNR UUUUU ZZH
P 251206Z SEP 09
FM AMEMBASSY MADRID
TO RUEHC/SECSTATE WASHDC PRIORITY 1263
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE
RHMCSUU/DEPT OF ENERGY WASHINGTON DC
RHEHNSC/NSC WASHDC
RUEHBS/USEU BRUSSELS
RUEAEPA/HQ EPA WASHDC

UNCLAS SECTION 01 OF 02 MADRID 000957

SENSITIVE
SIPDIS

STATE FOR OES/EGC - W. MOORE; EUR - M. BEH, S.PARKER-BURNS

E.O. 12958: N/A
TAGS: [KGHG](#) [SENV](#) [ENRG](#) [TRGY](#) [EUN](#) [SP](#)
SUBJECT: GOS SEEKS COMPARABILITY AND TRANSPARENCY ON
CLIMATE CHANGE AGREEMENT

REF: STATE 097542

¶1. (SBU) Summary: Post delivered reftel demarche on climate change to Deputy General Director for Mitigation and Technologies Eduardo Gonzalez and Senior Advisor for Mitigation and Technologies Sara Aagesen in the Ministry of the Environment, Rural, and Marine Affairs on September 22. They are pleased with the Administration's new direction on climate change and are hopeful of reaching an agreement in Copenhagen. They see common ground in the positions of the U.S. and the E.U. and see the areas for discussion centering around comparability of commitments--both in terms of emissions reductions and financial contributions--and transparency in commitments and reporting. They are concerned about a number of stumbling blocks to an agreement: 1) tensions with China due to the Administration's imposition of duties on imports of Chinese on tires, 2) growing support for the imposition of tariffs on products from countries that do not take action against climate change, 3) Russia's concept of an emissions bank, and 4) changes or delays in passing the U.S. Waxman/Markey legislation. They requested additional information on several subjects - see paras 3, 4, and 7. End Summary

¶2. (U) GOS officials Eduardo Gonzalez and Sara Aagesen said they were pleased with the Administration's new direction and pointed to the U.S. joining the International Renewable Energy Agency as an example of the change. They also praised the cooperation and exchange between the U.S. and Spain on wind and solar energy. The GOS has placed a high priority on climate change and Aagesen stressed that Spain is particularly vulnerable to drought and mass migration, given its proximity to Africa. Despite the challenge posed by the economic crisis, Aagesen says that now is the time for an agreement. She and Gonzalez find common ground in the positions of the U.S. and the E.U. on climate change and are hopeful about achieving results in Copenhagen.

Comparability of Commitments

¶3. (U) Gonzalez and Aagesen said that comparability is a central concern in the climate change discussions. They seek clarification on how the U.S. is calculating its 17% reduction and would like to know whether the figure is a domestic target or whether it includes mitigation efforts in developing countries. They also requested more information on how the Netherlands Environmental Agency study (cited in reftel) calculates the comparability of U.S. versus E.U. mid-term targets. They are skeptical that the targets are comparable and are in the process of analyzing the data. Aagesen said she was looking forward to an opportunity to discuss the matter in detail during a Brussels teleconference with U.S. and E.U. climate change experts scheduled for

September 23.

¶4. (SBU) The way in which financial contributions are measured is also at issue. Aagesen requested more information on how the U.S. is calculating its contributions--where, for example, the \$720 million designated for deforestation mitigation efforts in the Waxman/Markey bill would be allocated. At the same time, she suggested that the USG and the GOS might share positions on calculating financial contributions given that Spain and the U.S., unlike many other developed countries, expect continued population and consumption growth, due to immigration. Aagesen mentioned the need to incorporate the tracking of efforts that are currently outside of the Kyoto Protocol and agreed that the framework should include public and private funding.

Transparency of Commitments and Reporting

¶5. (U) The GOS is skeptical of using nationally developed measures to track emissions. Aagesen argues that the Copenhagen agreement should make use of existing institutions, standards, and measures--such as Assigned Amount Units (AAU). They think that using structures in place under the Kyoto Protocol will facilitate harmonizing data, improve the functionality of an international cap-and-trade program, and increase transparency in commitments and reporting.

Role of Developing Countries

¶6. (U) The GOS agrees that developing countries should play a

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role and make commitments, but it does not think that their reduction targets should be linked to those of developed countries. Aagesen emphasized the need for countries to make commitments to funding emissions reductions in developing countries.

Stumbling Blocks to Agreement

¶7. (SBU) Gonzalez mentioned that he witnessed firsthand the tension over the new U.S. duty on Chinese tires when he was in Beijing last week and was concerned about it affecting the Copenhagen negotiations. Separately, he raised the issue of growing support--especially from the governments of Germany and France--for imposing tariffs on products from countries that do not take action to address climate change as a potential stumbling block. Aagesen brought up the issue of Russia's emissions bank concept. She said that the GOS does not agree with it and wanted to know the U.S. position on it. She also voiced concern over how the Senate might change the Waxman/Markey bill--for example, lowering the emissions reduction target--and when it would be passed. She emphasized that any delays in action on climate change would make it costlier and more difficult.

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